

[Press release: London to Exeter rail passengers protected by CMA](#)

The Competition and Markets Authority (CMA) has been investigating the award of the franchise to FirstGroup and MTR since May, and concluded that there are no competition concerns on the vast majority of routes it would operate.

However, competition concerns have been raised on one route as FirstGroup already operates the Great Western Railway (GWR) franchise, which runs the only other train service between London and Exeter.

The CMA is concerned that FirstGroup having control of both services could reduce competition on the route, leading to higher fares or worse service for passengers.

Acting Chief Executive and Decision Maker, Andrea Coscelli, said:

This is a crucial rail route to the South West, used by around half a million passengers a year. It's therefore vital that passengers do not suffer as a result of reduced competition.

The CMA believes that without its intervention, FirstGroup may be able to increase fares for passengers between London and Exeter, as it will be the only rail operator running all services on this route. We look forward to hearing from the companies involved about how they think they can overcome this.

FirstGroup and MTR now have the opportunity to offer proposals (known as 'undertakings in lieu of reference') to the CMA to address the concerns identified. If these undertakings are considered sufficient, the companies involved will be able to avoid an in-depth phase 2 investigation.

In previous cases, most recently the CMA's decision on the award of the Northern franchise to Arriva, competition concerns have been resolved by the operator agreeing to price caps for the affected lines.

The CMA's decision comes in advance of the start of the franchise, due on 20 August 2017. Further details about the CMA's investigation can be found on the [case page](#).

Notes for editors

1. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law. For CMA updates, follow us on Twitter [@CMAgovuk](#), [Facebook](#), [Flickr](#) and [LinkedIn](#).
2. Under the Enterprise Act, First MTR will now have 5 working days to

propose undertakings in lieu (UILs) of reference to resolve the competition concerns raised by the CMA. If First MTR does not propose UILs or if the CMA is not satisfied with them, the merger will be referred to an in-depth ('phase 2') investigation.

3. The CMA will announce by 25 July its preliminary decision on whether any UILs offered by First MTR might be sufficient to resolve the competition concerns identified. If the CMA provisionally accepts UILs, a consultation will follow.
4. Media enquiries to the CMA should be directed to press@cma.gsi.gov.uk or 020 3738 6798.